

TO: Secretary Paige
FROM: COO Greg Woods
OSFA
RE: Weekly Report
DATE: March 12, 2001

THE WEEK AHEAD

Information Processing Interagency Conference: On March 14, 2001, Chief Operating Officer (COO) Greg Woods will participate in a panel discussion, hosted by SFA operating partner CSC, at the Information Processing Interagency Conference (IPIC) in Austin, TX. The audience includes federal and private industry IT executives. The COO was asked to represent the federal view of how government is using e-technology to improve service, by explaining how the student aid program has been transformed by the application of best-in-business e-commerce strategies to.

Coalition of State University Aid Administrators: On March 19, 2001, COO Greg Woods will participate in the Education Department session at the Coalition of State University Aid Administrators (COSUAA) annual conference in St. Augustine, Florida. COSUAA is comprised of financial aid directors at major 4-year public schools throughout the country. The COO will deliver updates on FAFSA on the Web, the Schools Portal, and the status of electronic signatures and Common Origination and Disbursement (COD).

Federal Chief Information Officers Council Meeting: On March 21, 2001, COO Greg Woods will speak to the Federal CIO Council monthly meeting in Washington, D.C. Subject: SFA's "Share-in-Savings" contract with its Modernization Partner, Accenture (formerly Andersen Consulting).

This contract (the first IT Share in Savings contract in the federal government) resulted in the retirement of the Central Data System (CDS) mainframe from the network of "stovepipe" systems performing Direct Loan Origination & Direct Loan Servicing. CDS's retirement was achieved with no disruption to existing services. Under the contract, Accenture is paid a share of the eliminated operational costs *after* the costs are realized. There is no up front expenditure by SFA. Since November 2000, savings have been accruing at a rate of about \$900,000 per month. These funds are needed to pay the contracting partner and also to fund SFA's modernization efforts.

GAO to Review Guaranty Agency Voluntary Flexible Agreements: Senator Jeffords' Committee on Health, Education, Labor, and Pensions has requested that GAO initiate a study of guaranty agency voluntary flexible agreements authorized by the Higher Education Act. The audit's objectives are to examine the degree to which these agreements fulfill the intent of the legislation, the process by which these agreements were solicited and reviewed and the performance measurements being used to evaluate the agreements. An entrance conference is tentatively scheduled for March 13, 2001.

KEY NEWS

Computer Learning Centers: SFA officially informed the nine schools in the CLC chain that their eligibility to participate in the Title IV, HEA Student Financial Assistance Programs is terminated, effective January 25, 2001, the day the schools filed for bankruptcy. The schools did not appeal the termination actions we initiated February 6, 2001, after we learned of the bankruptcy filing. Bankruptcy is an automatic ground for termination, per the Higher Education Act of 1965, as amended.

FAFSA Processing: SFA staff has processed 1,813,672 student aid applications in the nine weeks of the 2001-2002 award cycle. Of these 577,755, or 32%, have been electronic. The average turnaround time is 4.4 days, still surpassing our goal of 7 days. The response rate on the drug question is 99.59%.

RESOLUTION OF KEY ISSUES

Nothing to report.

PUBLIC AFFAIRS ACTIVITIES

Nothing to report.

REGULATORY ACTIVITIES

Nothing to report.

POLICY DOCUMENTS

Nothing to report.

GRANT ACTIVITIES

Nothing to report.

ON THE HORIZON

ELM Resources Conference: On March 27, 2001, COO Greg Woods will address the ELM Resources Conference in New Orleans. The audience will be comprised of executives representing lenders, guarantors, servicers, and tax-exempt secondary markets. Woods will update the Federal Family Education Loans (FFEL) community on the public-private partnership and the general direction of Modernization in the student loan program.

CONTACT INFORMATION

Please contact Karen Freeman at 205-1531 with any questions about this weekly report.